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UNCLAS DJIBOUTI 001113

SIPDIS

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SUBJECT: RAILROAD UNIONISTS PROTESTS LATE SALARY

1. (U) Summary: Members of the Djibouti-Ethiopian Railway (CDE) union staged two protests the week of August 15th-19th. Protests on Sunday, August 15th and Wednesday, August 18th were peaceful and did not result in any arrests. The most apparent cause of this week's protests is the late payment of salaries for several months. End Summary.

2. (U) Sunday, August 15th approximately 100-200 railroad workers marched from the Djibouti City train station to the Ministry of Transportation in a peaceful demonstration. The workers were angry at not having received salary payments for the month of July. The protest dispersed quickly. No arrests were made.

3. (U) Wednesday, August 18th railroad union workers staged a peaceful strike intending to block the weekly vegetable train. Police intervened and negotiated with the strikers to resolve the issue before the train was scheduled to arrive. By noontime the strikers and police had seemingly resolved the situation and the train was able to enter the station.

4. (U) Conversations with Technical Advisor to the Minister of Transport, Mohamed Ali, indicate that the salaries were reportedly only one month late and are set to be paid August 19th. In response to Poloff query whether the incidents had underlying causes, such as the ongoing moves towards privatization, Ali said that these incidents were merely discontent over salary issues.

5. (U) Continuing on the issue of the privatization of the railroad, Ali commented that six companies have been short-listed for the concession of the Djibouti-Ethiopian Railway. The concession is part of a 40 million Euro project financed by the European Union to privatize the railroad and turn it over to a private investor. Ali said the announcement of the winning bid in the concession tender is expected for the beginning of 2005. Of the six companies short-listed, two are American: African Initiative 2020 and Canac, a Canadian railway company that was recently sold to Savage Companies in early 2004. Dubai Ports International, managers of the current Port of Djibouti, Djibouti International Airport and the new Doraleh Port Facility under construction also appeared on the short list.

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